1: Fitzgerald H-5 (1937-1938) AE3 Sino-Tibetan
Border Peoples AE3

suggest that in fact most land had become included in the category paying the least tax. It is not probable that a government involved in a desperate war would have introduced changes in the system beneficial to the taxpayer.

Since the owners of the best land were for the most part men of local influence and some wealth, it is not difficult to see how their land had been for taxation purposes included in the lowest category during the period when the power of the government was weak and the quality of the district magistrates inferior.

The family of moderate means, owning eighteen *mu*, or three acres, which as we have seen in 1938 harvested a rice crop worth £20. 0*s* 0*d*., would thus have paid £0 11*s*. 3*d*. in taxation that year. This cannot be said to be heavy taxation, and in fact the Min Chia themselves admit that it is light. The tax on slaughtering animals, a relic of the Buddhist-inspired legislation of former times, is stiffer. For killing a pig the owner has to pay 1.50 dollars silver, or about 1*s*. 2*d*. ; for an ox 3.00 dollars silver, or 2*s*. 3*d*. Beef, partly in consequence of this tax is very little eaten, but pork is the most used meat, an essential dish at every feast or dinner party. The poor, of course, rarely eat meat. Almost every family will fatten a "winter pig" to provide for the feasting with which the Lunar New Year is celebrated, but at other times, unless for a wedding or some special feast no occasion for killing a pig arises. For minor festivities pork can be bought in the city or at a market, thus the butchering tax falls mainly on the professional butchers of the city who cater for a steady market.

It is inevitable that with such small margins of ready cash available, the Min Chia farmer is often obliged to contract debts. A wedding, or a funeral, involves expenses for which there is no provision possible unless by borrowing money or mortgaging land. As the rates of interest are very high it is often impossible for the debt to be discharged when due,

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and in this way the peasants become more and more indebted to the richer landowners, who are also the moneylenders. The standard rate of interest on cash loans is three per cent per month, or any period less than a month. 36% per annum is to European standards a very high rate of interest, and this is by no means the highest rate prevailing in Ta Li. Pawnshops, which act as banks, charge 4% per month or 48% per annum. In practice of course, the peasant who wishes to borrow money cannot hope to pay at this rate of interest and is obliged to mortgage his land, which is the only asset which could be realised by his creditor. Mortgage rates are a little lower than those charged on cash loans or by the pawn shops, because the security is better. 2½ *tou* of rice is the interest demanded for an advance of 100 dollars nickel secured on land. The value of this quantity of rice in 1938 was 17.50 dollars nickel, so the rate of interest was not more than 17½% per annum on mortgages. Even this rate is of course very high and a farmer who had been compelled to mortgage half or more than half of his land would have great difficulty in making ends meet.

Since the abolition of opium cultivation the problem of debt has therefore greatly increased in the Ta Li region, and this in turn depresses purchasing power and adds to the economic depression. Land banks, which in other parts of China had been set up by the Central Government to assist the peasants and provide an alternative to the moneylender at cheaper rates, have not yet been established in Yunnan. In fact there are not as yet any banks at all in the rural districts of this province, even in the cities. In a purely agricultural countryside, without industries of any importance, and with only a restricted commerce, no bank which had not government support and backing can be established, or if established, charge rates of interest lower than those offered by the moneylending richer families.

5:Graham E-5 (1933, 1941)1942 AE3 Sino-Tibetan
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done in the houses or in Chinese temples or on the streets. Money may be paid, or exchange may be accomplished by means of barter. If two objects are bartered and they are of unequal value, the balance may be paid in cash or another object may be thrown in to make things even.

The principal market places are in the Chinese cities. Here the Ch'iang bring produce--firewood, corn, beans, wheat, buckwheat, pepper, walnuts fruit, vegetables, chickens, pork, mutton, eggs, hides, etc. With the money they purchase salt, cotton cloth, vegetable oil, and other commodities which they take home.

The interest paid on loans is very high. It varies from sixty or seventy to over three hundred per cent. This is one of the handicaps now faced by the Ch'iang. If the borrower does not pay, the lender sometimes sends a poor person to live in the home of the borrower and eat his food, smoke his tobacco, drink his tea, and sleep in his bed. This may cost the orrower a lot of money but in the end he must pay all the money owed, both capital and interest. He is not credited with what the poor man has cost him. Sometimes the lender comes and takes away a pig, a goat, or a cow. Often the interest is paid in corn. For a loan of one hundred dollars the yearly interest is from two to six dou or pecks of corn, so that the rate of interest depends on the market value of the corn.

3. Habitations and Villages.

The houses are built of unhown stones plastered together with clay. Advantage is taken of the flat and smooth sides, so that the walls of the houses appear smooth, and the corners square. There are two or more stories. The first story consists of a small open court and rooms or pens for the domestic animals. The floors of the pens are covered with small twigs, grass, or straw, which are [241] trend upon for weeks and mixed with the offal of the animals, and later is used for fertilizer. People live on the second floor where dogs, cats, chickens, and sometimes other domestic animals and fowls range. [343] The roofs are flat, and at the rear of each roof is an open shed in which corn and other grains are stored, and where the women sometimes do their weaving. Similar stone houses are widely used in the highlands of western Szechwan, Si Kang, and eastern Tibet. [243] On the roof the grain is dried, flailed and winnowed, and here in fair weather the inmates visit and look around at